

been detailed to concretise this proposal?

SHRIMATI SHEILA KAUL: There are many new items that appear in the papers. It may be for the information that we ask these papers to be supplied. For these, this must have taken place.

SHRI E. AHAMED: The hon. Minister has replied that the Government had no idea to privatise the Municipalities. But at the very same time the hon. Minister has clarified that there is privatisation of some of the services of the municipalities. As it is known and it is well established, the municipalities are within the State Government power. Has the Government consulted the State Government about the policy that is proposed to be implemented; and as on date, has the Government of India got any reply from any Government with respect to this idea of the Government of India of privatisation of the services?

SHRIMATI SHEILA KAUL: As I mentioned earlier, we have received replies from the Governments of Assam, Maharashtra, Madhya Pradesh, Gujarat, Meghalaya, Arunachal, Mizoram and Lakshadweep. As I said earlier, the major issue taken up by the Government of Gujarat is involvement of private sector for garbage disposal. They have replied that they would like to do it through privatisation, as also of road maintenance and street lighting. That is about Gujarat. But the smaller States like Meghalaya, Arunachal Pradesh and Mizoram are not in its favour. They are very small States and they can do it themselves.

Restructuring of Public Sector Undertakings

*390. **SHRI BASU DEB ACHARIA:** Will the PRIME MINISTER be pleased to state:

(a) whether the Government propose to restructure the public sector undertakings;

(b) if so, the details thereof;

(c) whether it is proposed to waive loans, interest on loans and accrued cumulative losses to enable these public sector undertakings to work free of constraints and with a positive approach;

(d) the details of the undertakings which are facing liquidity crisis; and

(e) the steps proposed to meet their requirement of working capital?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.K. THUNGON): (a) to (e). A statement is laid on the Table of the House.

STATEMENT

As already announced in the Industrial Policy Statement laid in Parliament on July 24, 1991 the Government will continue to follow the mixed economy pattern as its policy. For improving performance of Public Sector the re-structuring of public sector undertakings is being done by reducing areas of reservation for future public sector investments by referring the sick public sector enterprises to the Board for Industrial and Financial Reconstruction (BIFR) for the formulation of suitable revival/rehabilitation plans, by offering a part of Government's share holding in selected public sector enterprises to the Mutual Funds, financial institutions, general public and workers; by enlarging the autonomy and accountability of public sector enterprises; and by widening the scope of Memorandum of Understanding (MOU) System to cover all the public sector enterprises. The Government has also created safety net through the National Renewal Fund to take care of workers who are likely to be affected by the revival/rehabilitation plans. A Tripartite Committee under the MOS (Labour) has also been set up to finalise the modalities of rehabilitation measures at the sectoral and unit levels. The Government have carried out the disinvestment of PSU shares for ensuring wider participation of public in the equity of public

sector units and to increase their accountability without loss of control over PSEs.

Any enterprise specific proposal to waive loans, interest on loans and accrued cumulative losses, etc. of the sector enterprises can be considered on merits, in cases of sick enterprises, where the reference to BIFR has been made and the orders of the BIFR are available to the Government. BIFR, during the course of its examination may also consider the cases of public sector enterprises facing liquidity crisis and recommend measures to meet their requirement of working capital. Cases of working capital or liquidity crisis in in other non-industrial sick PSEs is an internal matter for the PSE management to deal with and Government has considered such cases on merits and within the resource constraints being faced by the Government from time to time.

SHRI BASU DEB ACHARIA: Sir, I have gone through the statement made by the Minister. He has not replied to any of my questions here in the statement. I wanted to know categorically about the restructuring proposal and not for winding up or closing down the public sector undertakings. But, he has stated that some of the public sector undertakings are being referred to BIFR. Referring them to BIFR means closing down of those undertakings. BIFR is nothing but Bureau of Industrial Funeral Rites, because for about 90 per cent of the companies referred to BIFR, their suggestions were to close down or to liquidate or to wind up or to sell out those companies.

So, may I know form the Hon. Minister as to whether there was a Tripartite Committee headed by Shri Purna Sangama, who is also present here and he held a meeting with the Members of Parliament from West Bengal? May I know whether in that meeting, a decision was taken that unit-wise discussion would take place of the sick units of West Bengal; and afterwards, a decision would be taken to refer them to BIFR? May I know whether it is a fact that some of the undertak-

ings have already been referred to BIFR, even when a decision was taken in the meeting with the representatives not to do so? (*Interruption*)

MR. SPEAKER: Mr. Acharia. I did not ask you to put a Supplementary Question because I wanted that I would get the agreement from all the sides of the House. (*Interruptions*)

SHRI BASU DEB ACHARIA: Which are the public sector undertakings which have already been referred to BIFR for examination?

SHRI P. K. THUNGON: Sir, I have great respect for the hon. Member, but with the same respect I would like to express that I am not as pessimist as he is, because if a patient is taken to a hospital, it does not mean that he will die. (*Interruptions*) The same is the case of referring the cases to BIFR. (*Interruptions*) Sir, about the point that I have not replied to his question, I think, I have given a detailed reply.

MR. SPEAKER: You can leave that thing.

SHRI P. K. THUNGON: Sir, I thought that he should have been satisfied. (*Interruptions*) As far the other part of the question as to how many public sector units have been referred to BIFR so far is concerned, I would say, so far ten PSUs have been referred to BIFR.

SHRI BASU DEB ACHARIA: Sir, he has not replied to my question regarding the decision taken at the meeting with the Members of Parliament from West Bengal. Was a decision taken that unit wise examination and discussion would take place?

SHRI P. K. THUNGON: Sir, it is a fact that meeting took place. The tripartite committee headed by the hon. Labour Minister is trying to evolve the modalities and also trying

to go into depth about the problems of specific sick units. So, specific units will be gone into in detail by the Committee. Their recommendations or suggestions would certainly be referred to BIFR or the concerned authority. (*Interruptions*)

SHRI BASU DEB ACHARIA: Why those have referred to BIFR?

MR. SPEAKER: You did ask second supplementary. It becomes third supplementary. (*Interruptions*) No, no; Mr. Acharia, your two supplementaries are equal to four supplementaries.

SHRI BASU DEB ACHARIA: An assurance was given a number of times that Government would probably issue a white paper on public sector undertakings. There is not a white paper. It is only to close down the public undertakings. (*Interruption*) May I know from the Minister whether the Government would publish a white paper on public undertakings? (*Interruptions*)

AN HON. MEMBER: We are not allowed three times. (*Interruptions*)

SHRI BASU DEB ACHARIA: Sir, I wanted to know about working capital. There are some public undertakings. If working capital is provided, then those undertakings can be made viable. Would the Government consider to provide working capital of making those undertakings viable?

Would the Government also publish a white paper on public sector undertakings?

SHRI P.K. THUNGON: The hon. House is aware that we have prepared a detailed monograph, a status paper on sick industrial units. (*Interruptions*)

MR. SPEAKER: Please do not look at him. Look at the Chair and reply. Otherwise, you will have constant interruptions.

SHRI P.K. THUNGON: I will look at you.

Sir.

That paper has already been distributed to hon. Members. We solicit detailed and appropriate suggestions from the hon. Member on the basis of that.

As regards the other point, I have already replied to that.

DR. DEBI PROSAD PAL: Sir, the restructuring of public sector undertakings is a complicated and integrated process. It requires inquiry into the proper management, both of labour and also various other factors.

Now when the sick units are referred to the BIFR, the BIFR, as it is constituted, hardly inspires confidence. Therefore, I am asking the hon. Minister to inform whether there is any proposal to reconstitute the BIFR consisting of persons who have industrial experience and management experience in the different sectors of the industry.

SHRI P.K. THUNGON: Sir, this is a very good suggestion in a way we will certainly consider it.

[Translation]

SHRI GOERGE FERNANDES: Mr. Speaker, Sir, the hon. Minister has said during his reply that to send a patient to the hospital does not mean that he would die or he would die or he should die. I agree with him but I would like to know whether this Ministry had issued an office memorandum to all public undertakings and Government departments two months back on 13th January, 1992, which says—

[English]

"In the new environment of a liberalised Industrial Policy and the emphasis on performance improvement of public enterprises to function on commercial principles, etc., further protection in the term of price/ pur-

chase preference is not quite relevant in the new competitive environment. The matter was reviewed by the Government and the decision taken is as under:

(a) Instead of granting price preference to public enterprises, the Government may grant purchase preference to the public enterprises.

(b) In all such cases, while the quoted price of public enterprises is not within the 10 per cent of the lowest valid price bid, such a price bid may be rejected without any further consideration.

And where quoted price is within 10 per cent ..." (Interruptions) I know that those who represent the private industry will believe that this is very correct. But Sir, that was not the purpose of setting up the public sector.

[Translation]

Sir, there was some purpose and aim while setting up the public sector in our country. Has the Government abandoned those aims? With reference to the analogy of hospital, patient and death, I would like to say that part (d) of your office memorandum clearly states that the decision has been taken to close down all the public sector undertakings in the country within three years and thus it would be a natural death, so, why are you deceiving the people?

[English]

SHRI P.K. THUNGON: Sir, everybody in this August House is aware of the oratory of the hon. Member and with that oratory, he has asked a few questions which I do not think is very fair. Sir, so far as the role of the public enterprise is concerned, our new Industrial Policy very clearly enunciates the shape it should take and on the basis of that

enunciation, we are taking steps. What we want is that our public enterprises should not become spoon-fed babies. We want them to become self-reliant and competitive; we want them to stand on their own feet and that is how we want to encourage them. The hon. Member has seen only the state of the other part. We have given so many incentives and autonomy in other aspects. They will have more autonomy now. We have got the MOV system which is nothing but a contract and Government will not interfere in that contract. They will have to deliver the goods according to that MOU. Therefore I feel that it is not fair on the part of the hon. Member to speak in that manner.

[Translation]

We are not going to invite bids as made out by the hon. Member.

[English]

Our policy is very clear and we want to continue the policy which we have followed right from the beginning. A change with continuity is our policy. (Interruptions)

SHRIMURLIDEORA: The Government has disinfested Rs. 2500 crores worth of shares of public sector undertakings under the new restructuring programme of the public sector undertakings. If we see the market price of these shares in the last three months, we can find that it has gone as high as Rs. 11000 crores. In view of the fact that the capital market is booming, thanks to the new Economic Policy of the Government, will the Government consider to disinvest more public sector shares directly to the public rather than through mutual funds? My question is whether or not the Government will consider to directly disinvest to the public.

SHRI P.K. THUNGON: I would like to inform the hon. Member, through you Sir, that disinvestment amount which we have made so far is Rs. 3038 crores. I will explain in this way as to why it has not been given

directly to the public. This is for the first time we are disinvesting from our public sector units. And that is why, there is a little risk. If we do not proceed very carefully, there may be either over-pricing or under-pricing. That is why, we have gone through mutual funds and financial institutions.

So far as the new disinvestment is concerned, the hon. Member will be glad to know that we have appointed a committee under the chairmanship of Shri V. Krishna Murthy, Member, Planning Commission, to go into the details and to suggest modalities as to how we should go for further disinvestment... (Interruptions)

MR. SPEAKER: What is it, Mr. Acharia? It is not the way.

SHRI P.K. THUNGON: We have to be cautious and that is one of the reasons. Otherwise there would have been problems in the Stock Exchange and the capital market would have crashed. There would have been a crisis and there would have been imbalance in the whole of capital market. That is why, being the Government, we have to proceed very carefully so that the capital market is also taken care of and at the same time, our purpose is also met. Also, we did not have much time and that is why, we have to go through the mutual funds and financial institutions.

Battery-operated Cars

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392. SHRI R. SURENDER REDDY:
SHRI LALIT ORAON:

(a) whether the Government have approved the manufacture of battery-operated cars by the Addy Current Controls (India) Limited of Kerala;

(b) if so, the details thereof;

(c) the estimated cost and capacity of the project; and

(d) the time by which the production of such cars is likely to start?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN): (a) to (d). M/s Eddy Current Controls (India) Ltd. are being permitted to manufacture 'Battery Operated Electric Car' at Chalakudy, Mukundpruram (Kerala), for a capacity of 6000 per annum. The estimated cost of the project is expected to be around Rs. 6 crores. The Company expects to start production within six months of approval.

SHRI R. SURENDER REDDY: We know that in our country, we are not doing adequate research in battery operated cars. Is the Government willing to take up research work to produce battery operated cars? If it needs huge outlay, is the Government willing to give some subsidy for this huge outlay?

PROF. P.J. KURIEN: Research is already going on in the Department of Science and Technology with regard to non-conventional energy-used cars. This is one such car, which has been designed by an Indian, with our own R & D and with full indigenous technology. Government is giving all possible assistance to R & D for non-conventional energy sources, for battery operated cars and for cars operated with similar non-conventional energy sources.

SHRI R. SURENDER REDDY: Sir, I asked a specific question. Is the Government willing to give subsidy to this Addy Current Controls. This is a Kerala - based Company and the hon. Minister is from Kerala. I think he should consider it. Is he willing to give subsidy and bear all development cost for this car?

PROF. P.J. KURIEN: The Company has developed a technology without our subsidy and they are now going into production. I do not think there is any need to give any subsidy for this technology.